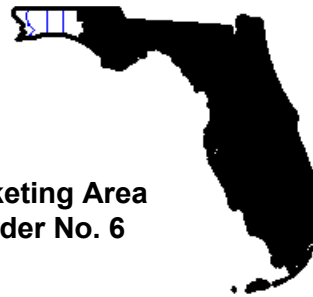


FLORIDA Fluid Milk Report

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Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

May 2018

Volume 19—No. 5

Dairy Forecast for 2019

Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2018, Economic Research Service, USDA:

The forecast for the size of the milking herd is 9.410 million, level with the 2018 forecast. Milk per cow, however, is expected to continue to grow, averaging 23,535 pounds for 2019. Milk production for 2019 is projected at 221.5 billion pounds, a modest 1.3 percent increase from the 2018 forecast.

Imports on a milk-fat basis are forecast at 5.5 billion pounds, the same as the 2018 forecast. Exports on a milk-fat basis are forecast to increase 0.3 billion pounds year-over-year to 10.2 billion. Domestic use is forecast at 216.6 billion pounds, a 1.1 percent increase from the forecast for 2018. Ending stocks on a milk-fat basis for 2019 are projected at 11.8 billion, 0.8 billion less than 2018.

On a skim-solids basis, 2019 imports are expected to remain steady at 5.8 billion pounds. Exports are forecast at 45.3 billion pounds, 0.2 billion pounds higher than the current 2018 forecast. While global demand is expected to continue growing in 2019, competition may limit export growth. Domestic use is expected to grow to 181.1 billion pounds, 1.1 percent higher than the 2018 forecast. Ending stocks are projected at 10.8 billion pounds, 0.2 billion less than the 2018 forecast.

Prices for butter and cheese in 2019 are expected to hold near 2018 levels. The 2019 cheddar cheese price forecast is \$1.585-\$1.685 per pound, 1 cent higher at the midpoint of the range than 2018. The 2019 butter price forecast is \$2.215-\$2.345 per pound, slightly lower at the midpoint of the range than the 2018 projection. The 2019 nonfat dry milk price is expected to be 2 cents higher at the midpoint than 2018 at \$0.745-\$0.815, as growth in export demand is expected to carry over into next year. Similarly, the domestic dry whey price is expected to continue to find support from overseas trading partners, rising 3 cents from 2018 at the midpoint of the range to \$0.285 (continued on pg. 4)

Uniform Price Increases

The uniform price in Hillsborough County, Florida was \$18.72 per hundredweight for milk at 3.5 percent butterfat for the month of April. This is an increase of \$0.58 compared with the previous month and a decrease of \$1.36 from April 2017.

Class I utilization was 83.86 percent in April. This represents a decrease of 1.38 percent compared to last month and is an increase of 3.28 percent compared with April of last year.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March was 19.0 billion pounds, 1.3 percent higher than March of last year and 1.0 percent higher compared with February 2018 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.10 billion pounds, 2.7 percent above March 2017 and 0.8 percent above February 2018 on a daily average basis. Butter production was 186 million pounds, 4.8 percent above March 2017 and 1.5 percent below February 2018 on a daily average basis.

Nonfat dry milk powder production was 180.3 million pounds in March, 12.0 percent higher than last year and 3.2 percent higher than February on a daily average basis. Total dry whey production was 88.0 million pounds in March, 1.5 percent above March 2017 and 11.3 percent lower than the previous month on a daily average basis. Whey protein concentrates production was 43.6 million pounds in March, 2.7 percent above March 2017 and 0.1 percent lower than February on a daily average basis.

March's milk-feed price ratio, the pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk, fell to 1.97.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - April 2018

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	48.50%	3,702,517	\$2.4251	\$ 8,978,973.98
Class I Differential at Location				207,545.17
Class II Butterfat	43.13%	3,293,077	\$2.5183	8,292,955.81
Class III Butterfat	0.34%	25,674	\$2.5113	64,475.12
Class IV Butterfat	8.03%	613,235	\$2.5113	1,540,017.07
Total Butterfat	100.00%	7,634,503		\$ 19,083,967.15

Uniform Butterfat Price per lb. (Hillsborough County, Florida): **\$2.4997**

Calculation of Uniform Skim Milk Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Producer Milk				
Class I Skim Milk	85.19%	173,612,583	\$5.82 /cwt.	\$ 10,104,252.34
Class I Butterfat	48.50%	3,702,517	\$2.4251 /lb.	8,978,973.98
Class I Differential at Location		177,315,100		9,909,401.31
Total Class I Milk	83.86%	177,315,100		\$ 28,992,627.63
Class II Skim Milk	9.70%	19,774,729	\$5.41 /cwt.	\$ 1,069,812.84
Class II Butterfat	43.13%	3,293,077	\$2.5183 /lb.	8,292,955.81
Total Class II Milk	10.91%	23,067,806		\$ 9,362,768.65
Class III Skim Milk	0.14%	280,956	\$5.89 /cwt.	\$ 16,548.30
Class III Butterfat	0.34%	25,674	\$2.5113 /lb.	64,475.12
Total Class III Milk	0.15%	306,630		\$ 81,023.42
Class IV Skim Milk	4.97%	10,136,537	\$4.86 /cwt.	\$ 492,635.71
Class IV Butterfat	8.03%	613,235	\$2.5113 /lb.	1,540,017.07
Total Class IV Milk	5.08%	10,749,772		\$ 2,032,652.78
Producer Milk	100.00%	211,439,308		\$ 40,469,072.48

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	\$1,277.34
Producer butterfat at uniform butterfat price	(\$19,083,967.15)
Location Adjustments to Producers	(\$345,870.01)
1/2 Unobligated Balance in P.S.F.	\$96,501.78

Adjusted Pool Value

Reserve for Producer Settlement Fund	\$ 10.37121	\$21,137,014.44
	\$ 0.04121	\$83,978.08

Uniform Skim Milk Price per cwt. (Hillsborough County, Florida):

\$10.33

Uniform Price per cwt. (Hillsborough County, Florida)

\$18.72*

* At 3.5% butterfat test; for information purposes.

OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	APR 2018	MAY 2018	MAR 2017	APR 2018	APR 2018
Appalachian (Charlotte)	\$ 17.50	\$ 17.84	\$ 16.02	\$ 16.56	65.80%
Arizona (Phoenix)	\$ 16.45	\$ 16.79	\$ 14.02	\$ 14.50	23.73%
Central (Kansas City)	\$ 16.10	\$ 16.44	\$ 13.92	\$ 14.34	28.49%
Florida (Tampa)	\$ 19.50	\$ 19.84	\$ 18.14	\$ 18.72	83.86%
Mideast (Cleveland)	\$ 16.10	\$ 16.44	\$ 14.24	\$ 14.63	30.20%
Northeast (Boston)	\$ 17.35	\$ 17.69	\$ 15.06	\$ 15.46	30.80%
Pacific Northwest (Seattle)	\$ 16.00	\$ 16.34	\$ 13.88	\$ 14.32	23.69%
Southeast (Atlanta)	\$ 17.90	\$ 18.24	\$ 16.30	\$ 16.88	65.02%
Southwest (Dallas)	\$ 17.10	\$ 17.44	\$ 14.79	\$ 15.24	36.80%
Upper Midwest (Chicago)	\$ 15.90	\$ 16.24	\$ 14.25	\$ 14.54	9.80%

**FLORIDA MILK MARKETING AREA-FEDERAL ORDER 6
STATISTICAL SUMMARY**

Receipts:	April 2018	April 2017
Producer Milk		
Class I	177,315,100	177,182,804
Class II	23,067,806	24,000,247
Class III	306,630	7,055,664
Class IV	10,749,772	11,620,104
Total Producer Milk	<u>211,439,308</u>	<u>219,858,819</u>
Average Butterfat Test	3.61%	3.65%
Percent of Producer Milk in Class I	83.86%	80.58%
Daily Average Receipts	7,047,977	7,328,627
Other Source Milk		
Class I	3,648,233	3,794,459
Class II	3,773,330	4,942,753
Class III	0	0
Class IV	256,811	1,439,703
Total Other Source Milk	<u>7,678,374</u>	<u>10,176,915</u>
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	<u>0</u>	<u>0</u>
Opening Inventory		
Class I	6,596,809	10,030,373
Class II	10,134	130,591
Class III	4,228	0
Class IV	5,276,325	7,625,820
Total Opening Inventory	<u>11,887,496</u>	<u>17,786,784</u>
Total Receipts	231,005,178	247,822,518
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	7,293,278	8,638,533
Route Disposition Class I	178,885,275	182,249,697
Shrinkage	899,409	51,627
Transfers & Diversions to Nonpool	482,180	697,779
Total Class I Utilization	<u>187,560,142</u>	<u>191,007,636</u>
Average Butterfat Test	2.08%	2.08%
Daily Average Utilization	6,252,005	6,366,921
Class II Utilization		
Nonfluid Used To Produce	3,773,331	4,719,812
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods	10,450,960	7,169,174
Used To Produce/Other Uses	12,626,979	17,184,605
Total Class II Utilization	<u>26,851,270</u>	<u>29,073,591</u>
Average Butterfat Test	12.30%	12.21%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce	190,406	7,055,664
Use to Produce/Other Uses	120,452	0
Total Class III Utilization	<u>310,858</u>	<u>7,055,664</u>
Average Butterfat Test	9.62%	4.02%
Class IV Utilization		
Inventory	7,914,284	13,310,970
Nonfluid Used To Fortify	191,348	352,289
Shrinkage	3,249,327	2,850,301
Transfers & Diversions to Nonpool	3,381,944	1,708,140
Used To Produce/Other Uses	1,546,005	2,463,927
Total Class IV Utilization	<u>16,282,908</u>	<u>20,685,627</u>
Average Butterfat Test	5.60%	7.30%
Total Utilization	231,005,178	247,822,518

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2018 is \$18.72 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$10.33 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4997 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use accounted for 85.19% of all producer skim milk (priced to handlers at \$5.82 hundredweight, plus the Class I differential) and 48.50% of producer butterfat (priced to handlers at \$2.4251 per pound plus Class I differential). Class II use accounted for 9.70% of all producer skim milk (\$5.41 per hundredweight) and 43.13% of producer butterfat (\$2.5183 per pound). Class III use accounted for 0.14% of all producer skim milk (\$5.89 per cwt) and 0.34% of producer butterfat (\$2.5113 per pound). Class IV use accounted for 4.97% of all producer skim milk (\$4.86 per cwt) and 8.03% of producer butterfat (\$2.5113 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
February 2018		
Whole Milk	94,824,080	39.74%
Fat Free Milk	20,228,567	8.47%
Low fat Milk (incl. 1%)	29,328,135	12.29%
Reduced Fat Milk (incl. 2%)	70,449,237	29.52%
Cultured Fluid Milk (incl. Buttermilk)	1,420,632	0.60%
Flavored Drinks and Milk	22,365,779	9.38%
Total Disposition in Marketing Area	238,616,430	100.00%
Total Disposition by Pool Plants	197,024,635	82.57%
Total Disposition by Non pool Plants	41,591,797	17.43%
Total Disposition in Marketing Area	238,616,430	100.00%

Receipts of producer milk during April 2018 totaled 211.4 million pounds, 8.4 million pounds less than April 2017. Florida producers supplied 206.4 million pounds of milk in March 2018 or an estimated 90.66% of the producer milk pooled in Florida. In March 2017, Florida producers supplied 92.67% of producer milk pooled on the Florida market. There were 9 regulated pool distributing plants and 4 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for April. In-area Class I route disposition was 238.6 million pounds in March 2018, 7.3 million pounds less than last year.

Dairy Forecast for 2019, cont.

(continued from page 1) to \$0.315 per pound.

With higher expected cheese and whey prices, the Class III price forecast for 2019 is \$14.80-\$15.80 per cwt, 25 cents higher than the forecast for 2018. The Class IV price is forecast at \$13.65-\$14.75 per cwt, 15 cents higher at the midpoint of the range than the 2018 forecast, as the higher forecast for nonfat dry milk price more than offsets the lower butter price. The all-milk price for 2019 is projected at \$16.25-\$17.25 per cwt, 30 cents higher at the midpoint of the range than the current 2018 forecast.

Outlook for Feed Prices

Feed price forecasts for 2017/18 have been raised from last month's forecast, with price forecasts for corn and soybean meal of \$3.25-\$3.55 per bushel and \$360 per short ton, respectively. The alfalfa hay price in March was \$166 per short ton, \$11 higher than February and \$32 higher than March of last year. The average corn price for 2018/19 is expected to be \$3.30-\$4.30 per bushel, 40 cents higher than the 2017/18 estimate at the midpoint. The 2018/19 average soybean meal is projected at \$330-\$370 per short ton, \$10 lower than the 2017/18 estimate at the midpoint. For more information, see the USDA Economic Research Service publication Feed Price Outlook.

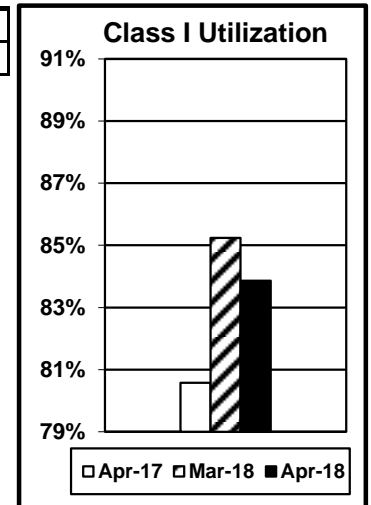
Source: *Livestock, Dairy, and Poultry Outlook, LDP-M-287, May 16, 2018 USDA, Economic Research Service*

FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2017	\$13.15	\$2.5023	\$21.45	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$ 5.98	\$2.3548	\$14.01	\$ 12.01	\$2.4267	\$20.08
May	\$12.54	\$2.4276	\$20.60	\$6.60	\$2.4204	\$14.84	\$7.38	\$2.4134	\$15.57	\$ 6.26	\$2.4134	\$14.49	\$ 11.61	\$2.4239	\$19.69
Jun	\$12.74	\$2.4032	\$20.71	\$6.89	\$2.7136	\$16.15	\$7.22	\$2.7066	\$16.44	\$ 6.65	\$2.7066	\$15.89	\$ 11.87	\$2.5531	\$20.39
Jul	\$12.72	\$2.7752	\$21.99	\$7.41	\$2.9526	\$17.48	\$5.33	\$2.9456	\$15.45	\$ 6.52	\$2.9456	\$16.60	\$ 11.85	\$2.8603	\$21.45
Aug	\$11.95	\$3.0259	\$22.12	\$7.25	\$3.0179	\$17.56	\$6.25	\$3.0109	\$16.57	\$ 6.29	\$3.0109	\$16.61	\$ 11.24	\$3.0224	\$21.43
Sep	\$11.73	\$3.0831	\$22.11	\$7.03	\$2.8629	\$16.80	\$6.59	\$2.8559	\$16.36	\$ 6.08	\$2.8559	\$15.86	\$ 11.13	\$2.9727	\$21.14
Oct	\$12.07	\$2.9120	\$21.84	\$6.84	\$2.6716	\$15.95	\$7.63	\$2.6646	\$16.69	\$ 5.72	\$2.6646	\$14.85	\$ 11.26	\$2.7874	\$20.62
Nov	\$12.68	\$2.7344	\$21.81	\$6.58	\$2.5616	\$15.32	\$8.23	\$2.5546	\$16.88	\$ 5.23	\$2.5546	\$13.99	\$ 11.81	\$2.6467	\$20.66
Dec	\$13.70	\$2.5875	\$22.28	\$5.94	\$2.5021	\$14.49	\$6.95	\$2.4951	\$15.44	\$ 4.95	\$2.4951	\$13.51	\$ 12.45	\$2.5446	\$20.92
Jan 2018	\$12.38	\$2.5415	\$20.84	\$5.70	\$2.4601	\$14.11	\$5.61	\$2.4531	\$14.00	\$ 4.71	\$2.4531	\$13.13	\$ 11.27	\$2.4973	\$19.62
Feb	\$11.11	\$2.5516	\$19.65	\$5.38	\$2.3560	\$13.44	\$5.37	\$2.3490	\$13.40	\$ 4.82	\$2.3490	\$12.87	\$ 10.35	\$2.4512	\$18.57
Mar	\$10.78	\$2.3874	\$18.76	\$5.55	\$2.4343	\$13.88	\$5.93	\$2.4343	\$14.24	\$ 4.71	\$2.4273	\$13.04	\$ 10.05	\$2.4115	\$18.14
Apr	\$11.22	\$2.4791	\$19.50	\$5.41	\$2.5183	\$14.03	\$5.89	\$2.5113	\$14.47	\$ 4.86	\$2.5113	\$13.48	\$ 10.33	\$2.4997	\$18.72
May	\$11.38	\$2.5317	\$19.84	\$5.45											

FEDERAL ORDER 6 - FLORIDA: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2017	219,859	131	177,183	80.58%	24,000	10.92%	7,056	3.21%	11,620	5.29%
May	218,418	109	177,322	81.18%	23,737	10.87%	8,401	3.85%	8,958	4.10%
Jun	204,329	127	167,555	82.01%	22,199	10.86%	8,887	4.35%	5,687	2.78%
Jul	197,380	126	164,694	83.44%	24,357	12.34%	4,829	2.45%	3,500	1.77%
Aug	215,152	176	181,228	84.22%	27,271	12.68%	4,187	1.95%	2,466	1.15%
Sep	202,752	184	174,233	85.93%	19,562	9.65%	2,059	1.02%	6,898	3.40%
Oct	218,757	173	183,666	83.96%	25,663	11.73%	394	0.18%	9,034	4.13%
Nov	218,101	147	183,961	84.34%	23,202	10.64%	3,337	1.53%	7,601	3.49%
Dec	226,771	128	185,525	81.81%	20,614	9.09%	9,667	4.26%	10,965	4.84%
Jan 2018	242,498	139	198,458	81.83%	27,278	11.25%	6,537	2.70%	10,224	4.22%
Feb	203,636	115	173,807	85.35%	24,010	11.79%	2,200	1.08%	3,619	1.78%
Mar	227,613	116	194,005	85.24%	27,016	11.87%	1,555	0.68%	5,036	2.21%
Apr	211,439	120**	177,315	83.86%	23,068	10.91%	306	0.15%	10,750	5.08%



* Class I and uniform prices are at Hillsborough County (Tampa), Florida; ** Estimated

Florida Marketing Area - Federal Order 6

2018 Pool and Payment Dates									
	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	First Partial Payment Due**		Second Partial Payment Due**		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
May	06/11/18	06/12/18	06/13/18	05/21/18	05/21/18	06/04/18	06/05/18	06/13/18	06/14/18
June	07/11/18	07/12/18	07/13/18	06/19/18	06/20/18	07/05/18	07/05/18	07/13/18	07/16/18
July	08/11/18	08/13/18	08/14/18	07/19/18	07/20/18	08/06/18	08/06/18	08/14/18	08/15/18

**The base rate for making partial payments in Hillsborough Co., FL for May will be \$16.85 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$15.91 for nonmembers (85 percent of the preceding month's uniform price).

Producer Touch Base Requirements & Handler Diversion Limits													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Producer Touch Base Days	10	10	10	10	10	10	10	10	10	10	10	10	
Diversion Percentage Limits	15%	15%	20%	20%	20%	20%	10%	10%	10%	10%	10%	15%	

WASDE Dairy Report 1/ WASDE – 577 May 10, 2018

Milk production for 2019 is forecast higher on gradual recovery in milk per cow. Cow numbers are expected to remain near 2018 levels. Commercial exports on both a fat and skim-solids basis are forecast higher than the previous year on robust global demand. Fat and skim-solids basis imports are unchanged from 2018. With stronger expected domestic and export demand, cheese, nonfat dry milk (NDM), and whey prices are forecast higher for 2019. Butter prices are forecast slightly lower. The Class III price is forecast higher on stronger cheese and whey prices. The Class IV price is forecast higher also as a stronger expected NDM price more than offsets the lower butter price. The 2019 all milk price is forecast at \$16.25 to \$17.25 per cwt, slightly higher than 2018.

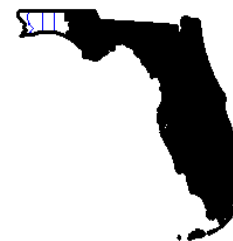
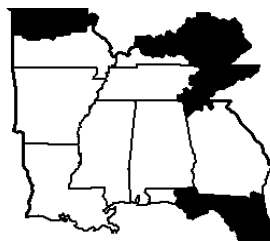
The 2018 milk production forecast is reduced from the previous month on lowered milk cow numbers and slow growth in milk per cow. Exports are raised from the previous month on both a fat and skim-solids basis on strong global demand. Imports are lowered on a fat and skim-solids basis. Cheese, butter, NDM and whey prices are raised from the previous month resulting in both Class III and Class IV prices being raised. The 2018 all milk price is increased to \$16.20 to \$16.70 per cwt.

1/ *The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.*



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